

## TAXPAYER CONTRIBUTIONS TO NATIONAL PARK SYSTEM

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APRIL 21, 1998.—Ordered to be printed

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Mr. YOUNG of Alaska, from the Committee on Resources,  
submitted the following

### REPORT

[To accompany H.R. 755]

[Including cost estimate of the Congressional Budget Office]

The Committee on Resources, to whom was referred the bill (H.R. 755) to amend the Internal Revenue Code of 1986 to allow individuals to designate any portion of their income tax overpayments, and to make other contributions, for the benefit of units of the National Park System, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

**SECTION 1. DESIGNATION OF OVERPAYMENTS AND CONTRIBUTIONS FOR THE BENEFIT OF UNITS OF THE NATIONAL PARK SYSTEM.**

(a) IN GENERAL.—Subchapter A of chapter 61 of the Internal Revenue Code of 1986 is amended by adding at the end the following new part:

**“PART IX—DESIGNATION OF OVERPAYMENTS AND CONTRIBUTIONS  
FOR THE BENEFIT OF UNITS OF THE NATIONAL PARK SYSTEM**

“Sec. 6097. Designation.

**“SEC. 6097. DESIGNATION.**

“(a) IN GENERAL.—In the case of an individual, with respect to each taxpayer’s return for the taxable year of the tax imposed by chapter 1, such taxpayer may designate that—

“(1) a specified portion (but not less than \$1) of any overpayment of tax for such taxable year, and

“(2) any cash contribution which the taxpayer includes with such return, shall be used for the benefit of units of the National Park System.

“(b) MANNER AND TIME OF DESIGNATION.—A designation under subsection (a) may be made with respect to any taxable year only at the time of filing the return of the tax imposed by chapter 1 for such taxable year. Such designation shall be made in such manner as the Secretary prescribes by regulations except that such designa-

tion shall be made either on the first page of the return or on the page bearing the taxpayer's signature.

“(c) OVERPAYMENTS TREATED AS REFUNDED.—For purposes of this title, any portion of an overpayment of tax designated under subsection (a) shall be treated as being refunded to the taxpayer as of the last date prescribed for filing the return of tax imposed by chapter 1 (determined without regard to extensions) or, if later, the date the return is filed.”

(b) CLERICAL AMENDMENT.—The table of parts for subchapter A of chapter 61 of such Code is amended by adding at the end thereof the following new item:

“Part IX. Designation of overpayments and contributions for the benefit of units of the National Park System.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1997.

#### SEC. 2. NATIONAL PARKS TRUST FUND.

(a) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 (relating to trust fund code) is amended by adding at the end the following new section:

##### “SEC. 9512. NATIONAL PARKS TRUST FUND.

“(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the ‘National Parks Trust Fund’, consisting of such amounts as may be appropriated or credited to the National Parks Trust Fund as provided in this section or section 9602(b).

“(b) TRANSFER TO NATIONAL PARKS TRUST FUND OF AMOUNTS DESIGNATED.—There is hereby appropriated to the National Parks Trust Fund amounts equivalent to the amounts designated under section 6097 and received in the Treasury.

“(c) EXPENDITURES FROM TRUST FUND.—

“(1) IN GENERAL.—The Secretary shall pay, not less often than quarterly, to the Director of the National Park Service from the National Parks Trust Fund an amount equal to the amount in such Fund as of the time of such payment less any administrative expenses of the Secretary which may be paid under paragraph (2). Amounts paid under this subsection shall be used only for design, construction, rehabilitation, and repair of high priority facilities that directly enhance the experience of park visitors, including natural, cultural, and historical resource protection projects, within the units of the National Park System and may not be used for land acquisition.

“(2) ADMINISTRATIVE EXPENSES.—Amounts in the National Parks Trust Fund shall be available to pay the administrative expenses of the Department of the Treasury directly allocable to—

“(A) modifying the individual income tax return forms to carry out section 6097,

“(B) carrying out this chapter with respect to such Fund, and

“(C) processing amounts received under section 6097 and transferring such amounts to such Fund.

“(d) STUDY.—No later than 2 years following the date of enactment of this section, the Secretary of the Interior shall transmit to the Congress a study of the effects of the program established under the National Parks Trust Fund. The study shall include information on the amount of money paid into the Fund, the projects that were undertaken with funds from the Trust Fund, and any other information that the Secretary of the Interior deems useful in evaluating the program's effectiveness.”

(b) CLERICAL AMENDMENT.—The table of sections for such subchapter A is amended by adding at the end the following new item:

“Sec. 9512. National Parks Trust Fund.”

### PURPOSE OF THE BILL

The purpose of H.R. 755 is to amend the Internal Revenue Code of 1986 to allow individuals to designate any portion of their income tax overpayments, and to make other contributions, for the benefit of units of the National Park System.

### BACKGROUND AND NEED FOR LEGISLATION

H.R. 755 would amend the Internal Revenue Code of 1986 to require the Internal Revenue Service to place a line on Federal in-

come tax forms which would allow individual taxpayers to voluntarily donate one dollar or more toward the care of the National Park System. The donation consists of amounts in addition to the Federal tax owed by the individual, or from the refund the Internal Revenue Service owes the taxpayer. Participation is voluntary. The bill also establishes the National Parks Trust Fund within the Department of the Treasury. Monies in the Fund will be made available to the Director of the National Park Service for operation and maintenance of National Park System units. No land acquisition is permitted with the funds.

The concept is based on the established Presidential Campaign Checkoff on the Federal income tax form, and the successful tax checkoff programs in 41 States and the District of Columbia, that provide millions of dollars on an annual basis for a wide range of public interests, including many environmental and park-related recreational programs.

#### COMMITTEE ACTION

H.R. 755 was introduced on February 13, 1997, by Congressman John J. Duncan, Jr. (R-TN). The bill was referred to the Committee on Ways and Means and additionally to the Committee on Resources. Within the Committee on Resources, the bill was referred to the Subcommittee on National Parks and Public Lands. On July 22, 1997, the Subcommittee held a hearing on H.R. 755, where testimony was received that generally supported the bill. The National Park Service provided Administration comments on how the funds would be utilized if the National Park Trust Fund were established in the Department of the Treasury, but the Treasury Department deferred testimony until the Ways and Means Committee exerted its primary jurisdiction on H.R. 755. On October 7, 1997, the Subcommittee met to mark up H.R. 755. An amendment to require the Secretary of the Interior to submit a study to Congress on the effects of this program two years after implementation was offered by Congressman Duncan, and adopted by voice vote. An amendment to clarify that funds derived from this program may be used for resource protection was offered by Congressman Duncan, and adopted by voice vote. The bill as amended was then ordered favorably reported to the Full Committee by voice vote. On November 5, 1997, the Full Resources Committee met to consider H.R. 755. No further amendments were offered and the bill as amended was ordered favorably reported to the House of Representatives by voice vote.

#### COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

With respect to the requirements of clause 2(1)(3) of rule XI of the Rules of the House of Representatives, and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the Committee on Resources' oversight findings and recommendations are reflected in the body of this report.

## CONSTITUTIONAL AUTHORITY STATEMENT

Article I, section 8 and Article IV, section 3 of the Constitution of the United States grant Congress the authority to enact H.R. 755.

## COST OF THE LEGISLATION

Clause 7(a) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out H.R. 755. However, clause 7(d) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 403 of the Congressional Budget Act of 1974.

## COMPLIANCE WITH HOUSE RULE XI

1. With respect to the requirement of clause 2(1)(3)(B) of rule XI of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, H.R. 755 does not contain any new budget authority, or credit authority. According to the Congressional Budget Office, enactment of H.R. 755 would affect government receipts and direct spending, but with a net budgetary effect of less than \$.5 million a year.

2. With respect to the requirement of clause 2(1)(3)(D) of rule XI of the Rules of the House of Representatives, the Committee has received no report of oversight findings and recommendations from the Committee on Government Reform and Oversight on the subject of H.R. 755.

3. With respect to the requirement of clause 2(1)(3)(C) of rule XI of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 755 from the Director of the Congressional Budget Office.

## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, February 11, 1998.*

Hon. DON YOUNG,  
*Chairman, Committee on Resources,  
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 755, a bill to amend the Internal Revenue Code of 1986 to allow individuals to designate any portion of their income tax overpayments, and to make other contributions, for the benefit of units of the National Park System.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Deborah Reis (for federal costs), and Richard Kasten (for revenues).

Sincerely,

JUNE E. O'NEILL, *Director.*

Enclosure.

*H.R. 755—A bill to amend the Internal Revenue Code of 1986 to allow individuals to designate any portion of their income tax overpayments, and to make other contributions, for the benefit of units of the National Park System*

Summary: CBO estimates that enacting H.R. 755 would cost about \$4 million over 10 years. Of that total, about \$2 million would be for start-up costs in 1998, subject to appropriation of the necessary amounts. The remaining \$2 million is the estimated 10-year sum of the small annual differences between changes in federal revenues and direct spending. Revenues would increase by about \$6 million a year between fiscal years 1999 and 2008, but outlays from new direct spending authority would increase by a slightly larger amount each year.

H.R. 755 would affect government receipts and direct spending; therefore, pay-as-you-go procedures would apply. The net budgetary effect, however, would be less than \$500,000 a year. The legislation contains no private-sector or intergovernmental mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA) and would have no significant impact on the budgets of state, local, or tribal governments.

H.R. 755 would allow federal taxpayers to contribute money to the National Park Service (NPS) at the same time as they file their individual income tax returns. The procedure specified by the bill for making such contributions is usually called a “check-off” system because taxpayers indicate their desire to contribute to a particular program by placing a check mark in a box on their tax forms. The tax form may include additional lines or boxes on which to specify the amount of the donation. Unlike the current check-off for the Presidential Election Campaign Fund, a contribution to the national parks trust fund established by H.R. 755 would require a reduction in the taxpayer’s refund or a cash contribution submitted with the tax return. (Contributions from both sources are treated as miscellaneous revenues for budgetary purposes.) Under existing law, taxpayers who itemize their deductions could deduct their contribution on their next federal tax return.

The bill also would create within the U.S. Treasury a national parks trust fund, consisting of the amounts contributed by taxpayers and interest earned on fund investments. Proceeds to the fund (including interest) would be available without further appropriation for operations, maintenance, and construction at NPS sites and certain administrative expenses of the Department of Treasury.

Estimated cost to the Federal Government: CBO estimates that enacting H.R. 755 would increase both miscellaneous revenues and budget authority by nearly the same amount—\$6 million—in each fiscal year beginning in 1999. Because the contributions would be tax-deductible, however, net revenues would always be slightly less than the amounts deposited in the proposed trust fund. In addition, the new budget authority for spending from the fund would always be slightly more than the amounts of contributions because of interest earnings on fund balances. Over the first five years, the aggregate effect of these factors would be negligible. Once the program becomes more established and outlays begin to catch up with budget authority, however, the effect would be more pronounced.

The net cost to the federal government would be less than \$0.5 million each year but would total nearly \$2 million over the first 10 years of the program. In addition, assuming appropriation of the necessary amounts, one-time initial costs for implementing the bill would be less than \$2 million in 1998. The estimated budgetary impact of the bill is shown in the following table. The costs of this legislation fall within budget functions 300 (natural resources and environment) and 800 (general government).

Basis of estimate: For purposes of this estimate, CBO assumes that H.R. 755 would be enacted by the middle of fiscal year 1998, and that the government would begin to receive taxpayer contributions beginning in calendar year 1999. This estimate is based on information provided by the Departments of Treasury and the Interior, the Federation of Tax Administrators (FTA), the National Parks and Conservation Association (NPCA), and officials of state taxing authorities.

	By fiscal years, in millions of dollars—					
	1998	1999	2000	2001	2002	2003
CHANGES IN REVENUES						
Estimated Revenues .....	0	6	6	6	6	6
CHANGES IN DIRECT SPENDING						
Estimated Budget Authority .....	0	6	6	6	6	6
Estimated Outlays .....	0	6	6	6	6	6
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level .....	2	0	0	0	0	0
Estimated Outlays .....	2	0	0	0	0	0

Enacting H.R. 755 would affect both revenues and direct spending. Also, assuming appropriation of the necessary amounts for fiscal year 1998, the Treasury Department would incur small, one-time discretionary costs to implement the bill's requirements. These would include expenses to alter tax forms and to establish new accounting procedures. We expect such spending to be less than \$2 million.

### *Revenues*

Based on information provided by states that have existing check-off programs, CBO estimates that federal taxpayers would contribute about \$6 million annually to the new national parks trust fund beginning in fiscal year 1999. We expect that between 1 percent and 2 percent of taxpayers would contribute to the new fund, and that most contributions would be \$5 or less. In each of the following years, annual revenues from contributions would be offset by small losses of individual income tax revenues because taxpayers who itemize their deductions would be able to treat check-off donations as charitable contributions on their next tax returns. Because only about 28 percent of taxpayers itemize deductions, we estimate that this revenue loss would be less than \$0.5 million annually.

The estimates of contributions and resulting spending authority are highly uncertain because they are based on assumptions regarding taxpayers' behavior, which is difficult to predict and may change over time. If the contributions realized from enacting this

legislation exceed or fall short of CBO estimates by small amounts, the net effect on the federal budget would still be negligible because the changes would be largely offsetting. If, however, actual revenues are much higher than we estimate, the effect on net federal spending could be significantly higher.

*Direct spending*

H.R. 755 would direct the Treasury to deposit the entire amount of revenue earned from the new check-off program into the national parks trust fund. Annual budget authority from the trust fund would be equal to the year's total check-off contributions plus the amount of any interest earned on the fund's investments. Assuming that a portion of trust fund balances would be invested for at least some of each year, CBO estimates that new spending authority for each year would be \$6.1 million—a little over the \$6 million received as contributions. Outlays from new spending authority would be slightly less than \$6 million in the first few years of the program and slightly more than that after 2002.

CBO expects that beginning in 1999 the Treasury Department would transfer most of the amounts in the trust fund to the NPS, which would use the money to augment appropriated funding for high-priority maintenance and repair activities. (Annual appropriations to the agency's construction account vary widely from year to year. To date, \$215 million has been appropriated for fiscal year 1998.) We expect that the Treasury would retain a portion of annual collections to cover ongoing administrative expenses. These included the costs of processing amounts designated or received as taxpayer contributions, of investing fund balances, and of accounting for transactions of the trust fund.

Pay-as-you-go considerations: Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays and governmental receipts that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

	By fiscal years, in millions of dollars—										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Changes in outlays .....	0	6	6	6	6	6	6	6	6	6	6
Changes in receipts .....	0	6	6	6	6	6	6	6	6	6	6

Intergovernmental and private-sector impact: H.R. 755 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

Estimate prepared by: Federal Costs: Deborah Reis and Federal Revenues: Richard Kasten.

Estimate approved by: Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

COMPLIANCE WITH PUBLIC LAW 104-4

H.R. 755 contains no unfunded mandates.

## CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italic and existing law in which no change is proposed is shown in roman):

**INTERNAL REVENUE CODE OF 1986**

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**Subtitle F—Procedure and Administration**

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**CHAPTER 61—INFORMATION AND RETURNS**

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**Subchapter A—Returns and Records**

## Part I. Records, Statements, and Special Returns

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*Part IX. Designation of Overpayments and Contributions for the Benefit of Units of the National Park System.*

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**PART IX—DESIGNATION OF OVERPAYMENTS AND CONTRIBUTIONS FOR THE BENEFIT OF UNITS OF THE NATIONAL PARK SYSTEM***Sec. 6097. Designation.***SEC. 6097. DESIGNATION.**

(a) *IN GENERAL.*—In the case of an individual, with respect to each taxpayer's return for the taxable year of the tax imposed by chapter 1, such taxpayer may designate that—

(1) a specified portion (but not less than \$1) of any overpayment of tax for such taxable year, and

(2) any cash contribution which the taxpayer includes with such return,

shall be used for the benefit of units of the National Park System.

(b) *MANNER AND TIME OF DESIGNATION.*—A designation under subsection (a) may be made with respect to any taxable year only at the time of filing the return of the tax imposed by chapter 1 for such taxable year. Such designation shall be made in such manner as the Secretary prescribes by regulations except that such designation shall be made either on the first page of the return or on the page bearing the taxpayer's signature.

(c) *OVERPAYMENTS TREATED AS REFUNDED.*—For purposes of this title, any portion of an overpayment of tax designated under subsection (a) shall be treated as being refunded to the taxpayer as of the last date prescribed for filing the return of tax imposed by chapter 1 (determined without regard to extensions) or, if later, the date of return is filed.

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## Subtitle H—Financing of Presidential Election Campaigns

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### CHAPTER 98—TRUST FUND CODE

#### Subchapter A—Establishment of Trust Funds

Sec. 9501. Black Lung Disability Trust Fund.

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Sec. 9512. National Parks Trust Fund.

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#### **SEC. 9512. NATIONAL PARKS TRUST FUND.**

(a) *CREATION OF TRUST FUND.*—There is established in the Treasury of the United States a trust fund to be known as the “National Parks Trust Fund”, consisting of such amounts as may be appropriated or credited to the National Parks Trust Fund as provided in this section or section 9602(b).

(b) *TRANSFER TO NATIONAL PARKS TRUST FUND OF AMOUNTS DESIGNATED.*—There is hereby appropriated to the National Parks Trust Fund amounts equivalent to the amounts designated under section 6097 and received in the Treasury.

(c) *EXPENDITURES FROM TRUST FUND.*—

(1) *IN GENERAL.*—The Secretary shall pay, not less often than quarterly, to the Director of the National Park Service from the National Parks Trust Fund an amount equal to the amount in such Fund as of the time of such payment less any administrative expenses of the Secretary which may be paid under paragraph (2). Amounts paid under this subsection shall be used only for design, construction, rehabilitation, and repair of high priority facilities that directly enhance the experience of park visitors, including natural, cultural, and historical resource protection projects, within the units of the National Park System and may not be used for land acquisition.

(2) *ADMINISTRATIVE EXPENSES.*—Amounts in the National Parks Trust Fund shall be available to pay the administrative expenses of the Department of the Treasury directly allocable to—

(A) modifying the individual income tax return forms to carry out section 6097,

(B) carrying out this chapter with respect to such Fund, and

(C) processing amounts received under section 6097 and transferring such amounts to such Fund.

(d) *STUDY.*—No later than 2 years following the date of enactment of this section, the Secretary of the Interior shall transmit to the Congress a study of the effects of the program established under the National Parks Trust Fund. The study shall include information on the amount of money paid into the Fund, the projects that were undertaken with funds from the Trust Fund, and any other informa-

*tion that the Secretary of the Interior deems useful in evaluating the program's effectiveness.*

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